

AWARD FEE PLAN MANAGED CARE SUPPORT CONTRACT

1. **PURPOSE:** This plan outlines the policies and procedures which will be used to determine award fees and the duties and responsibilities of personnel associated with the award fee process.
2. **SCOPE:** This plan, in conjunction with the results of the applicable components of the Beneficiary Survey, the MTF Commanders survey, and the Deputy Regional Director survey combined with the assessment of the Award Fee Board (AFB), will allow the Award Fee Determining Official (AFDO) to determine the award fee.
3. **ORGANIZATION:** The award fee process involves personnel within the Office of the Regional Director and the TRICARE Management Activity. These organizations may change from time-to-time; however, the basic responsibilities described herein shall continue during the term of this contract.
4. **ADMINISTRATION:** The award fee process will be administered by the AFDO and an award fee board. The AFDO shall be the Regional Director. The Award Fee Board will be comprised of the following personnel who shall have an equal vote in determining the recommended award fee. Membership is based on position and is not delegable.

Chairperson - Deputy Regional Director of the Region
Member and Secretary - Administrative Contracting Officer
Member - Procuring Contracting Officer
Member - Contracting Officer's Representative
Member – Designated Alternate Contracting Officer's Representative
Member – Regional Director Staff
Member – Regional Director Staff
Legal Advisor – TMA Office of General Counsel (non-voting)

5. **RESPONSIBILITIES:**
 - 5.1. The AFDO shall determine the amount of the award fee based on the recommendation of the Award Fee Board, survey results, knowledge of factors affecting contractor performance, and this plan. The AFDO shall provide a written determination of the amount of the award fee and the rationale for determining the amount of the award fee to the PCO for disposition and payment to the contractor.
 - 5.2. The Deputy Regional Director's Office shall serve as a voting member and Chairperson of the Award Fee Board. In this role, the Chairperson is the Senior Executive responsible for managing the Award Fee Board which includes ensuring that all documentation is provided to the AFB prior to all meetings for review and

consideration, scheduling meetings, ensuring that all relevant information is considered, and preparing the AFB's recommendation to the AFDO.

5.3. Administrative Contracting Officer (ACO): The ACO shall have administrative responsibility for managing the award fees process and shall serve as secretary to and voting member of the Award Fee Board.

5.3.1. In this role, the ACO shall obtain the results of the Beneficiary Survey administered and tabulated by the Office of Health Program Analysis and Evaluation (HPA&E), TRICARE Management Activity, and distribute the survey results to all members of the AFB thirty (30) calendar days prior to meetings of the AFB. Survey results will be available from HPA&E ninety days after the end of the survey period. Survey periods will follow each contract quarters. A contract quarter is defined as every three months beginning with the start of health care delivery. Survey results will be based on non-institutional claims that have completed processing with dates of care within the quarter being measured.

5.3.2. The ACO will administer the MTF Commander survey. The ACO will ensure the survey is available to all hospitals and free standing clinics on the first work day following the close of each calendar quarter. MTF Commanders are allowed 15 calendar days in which to respond. Responses not received within 15 calendar days shall not be considered in the award fee determination for the contract quarter covered by the survey.

5.3.2.1. The ACO will ensure the results of the MTF Commander surveys are provided to the AFB with an analysis of the applicability of any commander comment to contract provisions within forty-five (45) calendar days of mailing the MTF Commander survey.

5.3.2.2. The ACO will ensure the AFB is provided with the results of the Regional Director survey(s) and the ACO and PCO will jointly provide an analysis of the applicability of any comment to contract provisions within forty-five (45) calendar days of administering the Regional Director survey.

5.3.2.3. The contractor will have the opportunity to provide written input to the Award Fee Board. Any such input must not exceed ten pages and must be received not later than the date specified by the ACO. The contractor may submit information the contractor desires the AFDO to consider. The AFDO may consider such information in making the award fee determination.

5.3.3. The ACO shall schedule all meetings of the AFB.

5.4. The Procuring Contracting Officer (PCO) shall serve as a voting member of the AFB. In this role, the PCO shall review and consider all information presented to the AFB as well as any mitigating factors, which may have affected contractor performance. The PCO is responsible for properly executing the AFDO's decision. Execution includes advising the contractor of the decision, including the basis for the decision, issuing a

modification to the contract, and ensuring that all award fees are paid in accordance with contract terms.

5.5. The Contracting Officer's Representative (COR) shall serve as a voting member of the AFB. In this role, the COR shall review and consider all information presented to the AFB as well as any mitigating factors which may have affected contractor performance. The COR is also responsible for investigating, documenting and bringing matters relevant to the award fee determination to the attention of the AFB.

5.6. The designated Alternate Contracting Officer's Representative (ACOR) shall serve as a voting member of the AFB. In this role, the ACOR shall review and consider all information presented to the AFB as well as any mitigating factors, which may have affected contractor performance. The ACOR is also responsible for investigating, documenting and bringing matters relevant to the award fee determination to the attention of the AFB.

5.7. The Legal Advisor is a non-voting member of the Award Fee Board. In his/her capacity, the Legal Advisor will provide advice to the AFB and AFDO and will review all documents created for legal sufficiency prior to their release.

6. CONTRACTUAL AWARD FEE REQUIREMENTS:

6.1. An award fee determination shall be made per contract quarter. Award fees shall only be available for those quarters during which the contractor delivered health care services during each and every day of the calendar quarter. When determining the award fee, the AFDO will consider the Government's survey data and all other information he/she deems appropriate, but may not consider any survey results from the contractor

6.2. The maximum award fee (AKA award fee pool) available shall equal the performance guarantee amount stated in the Schedule. . The award fee pool shall be prorated into four equal amounts and the awarded portions distributed on a quarterly basis. Unawarded portions of the award fee pool shall never be available for any future award fee.

7. AWARD FEE DETERMINATION

7.1. The award fee pool consists of three components, beneficiary satisfaction, MTF Commander Satisfaction, and Regional Director Satisfaction.

7.2. When issuing the award fee determination, the AFDO shall include his/her rationale for each decision. This rationale shall be shared with the contractor.

DEPUTY REGIONAL DIRECTOR(DRD)/MTF COMMANDER QUARTERLY SURVEY

The following survey is designed to elicit DRD/MTF Commanders' satisfaction with the Managed Care Contractor's performance during the most recent contract quarter. In completing the survey, DRDs and MTF Commanders must be cognizant of the contract requirements and base their comments on these requirements. DRD/Commander's comments will be evaluated by the Award Fee Board who will recommend to the Award Fee Determining Official that an award fee, if appropriate, be awarded to the MCS contractor.

Please rate your satisfaction with the MCS Contractor's performance in each of the following areas. Additionally, please provide an attached statement with rationale and examples in support of your ratings.

1. The MCS Contractor has optimized the MTF through enrollments to the extent possible and required by contract.	Strongly Agree <input type="checkbox"/>
	Somewhat Agree <input type="checkbox"/>
	Somewhat Disagree <input type="checkbox"/>
	Strongly Disagree <input type="checkbox"/>
2. The MCS Contractor has optimized the MTF through referrals to the extent possible and required by contract.	Strongly Agree <input type="checkbox"/>
	Somewhat Agree <input type="checkbox"/>
	Somewhat Disagree <input type="checkbox"/>
	Strongly Disagree <input type="checkbox"/>
3. The MCS Contractor has been accessible to you. (e.g. returns phone calls and is available for meetings).	Strongly Agree <input type="checkbox"/>
	Somewhat Agree <input type="checkbox"/>
	Somewhat Disagree <input type="checkbox"/>
	Strongly Disagree <input type="checkbox"/>
4. The MCS Contractor has been responsive to your concerns by resolving issues and problems brought to their attention in a professional and courteous manner.	Strongly Agree <input type="checkbox"/>
	Somewhat Agree <input type="checkbox"/>
	Somewhat Disagree <input type="checkbox"/>
	Strongly Disagree <input type="checkbox"/>
5. The MCS Contractor has been responsive to your concerns by resolving issues and problems brought to their attention in a timely manner.	Strongly Agree <input type="checkbox"/>
	Somewhat Agree <input type="checkbox"/>
	Somewhat Disagree <input type="checkbox"/>
	Strongly Disagree <input type="checkbox"/>
6. The MCS Contractor has and continues to, to the extent required by the contract, integrated the contractor's processes with those of the MTF to achieve a coordinated health care delivery system.	Strongly Agree <input type="checkbox"/>
	Somewhat Agree <input type="checkbox"/>
	Somewhat Disagree <input type="checkbox"/>
	Strongly Disagree <input type="checkbox"/>

Attachment L-3

<p>7. The MCS Contractor is working with you in a collaborative manner. Contractor staff has the necessary knowledge, skills and abilities to deliver the contract requirements.</p>	<p>Strongly Agree <input type="checkbox"/></p> <p>Somewhat Agree <input type="checkbox"/></p> <p>Somewhat Disagree <input type="checkbox"/></p> <p>Strongly Disagree <input type="checkbox"/></p>
<p>8. The MCS Contractor has been responsive to the patients' concerns by resolving issues and problems brought to their attention in a timely manner.</p>	<p>Strongly Agree <input type="checkbox"/></p> <p>Somewhat Agree <input type="checkbox"/></p> <p>Somewhat Disagree <input type="checkbox"/></p> <p>Strongly Disagree <input type="checkbox"/></p>

Signature

Date

Printed Name

SURVEY METHODOLOGY

General:

The TMA will design a survey of beneficiary-user satisfaction with outpatient purchased care services to be conducted on a quarterly basis for determination of awards. A sample of users of these services will be surveyed by telephone to investigate their overall satisfaction with a visit they are indicated as having in the previous three months.

Methodology:

Telephone surveys will be considered complete with responses to the following question: *All things considered, how satisfied were you with the healthcare and service you received during this visit?* Responses will be scored on 7-point scale with the following meaning:

- 1 = completely dissatisfied
- 2 = very dissatisfied
- 3 = somewhat dissatisfied
- 4 = neither satisfied nor dissatisfied
- 5 = somewhat satisfied
- 6 = very satisfied
- 7 = completely satisfied.

The sample for this survey will be drawn from a list of outpatient purchased care visits developed by the TMA from TRICARE Encounter Data (TEDs). Telephone numbers will be obtained by the survey firm from commercial sources and/or for contact with a randomly sampled population of users.

"Satisfaction" with purchased care services will then be coded on complete surveys as responses that include values of 5, 6, or 7. "Percent satisfied" will be calculated as the simple ratio of "Satisfied" responders to all collected and completed surveys for that MCSC.

Estimation of Sample Size:

The target response pool of 400 was developed with an interest to achieve an estimate of "percent satisfied" to three percentage points on a one hundred point scale with 95 percent confidence. It is assumed that approx. 90% of users will be satisfied with outpatient purchased care services and that the distribution of responses to the overall satisfaction item will be binomial (i.e. satisfied, not-satisfied). A binomial distribution with $p = 0.9$, a 95% confidence interval with half length .03 (i.e. +/- 3%) requires a sample of about 400.

The calculation is: using the normal approximation to binomial distribution, $.03 \approx 2 * SD$ & $SD = \sqrt{p(1-p)/n} = \sqrt{.9*.1/n}$. This means that $.015 = \sqrt{.9*.1/n}$, so $\sqrt{n} = .3/.015 = 20$, or $n = 400$.

Minimal Surveys Required:

Telephone survey efforts will continue until 400 completions are accomplished from this frame and for each MCSC evaluated. The telephone survey process will not be considered final until attaining 400 completed responses for each MCSC evaluated.

TRICARE Purchased Care Contractor Support Survey

Hello, My name is _____ calling from XYZ Corporation on behalf of the Department of Defense. Is Rank, Mr. or Ms. and Name available?

If **NO**, arrange for a call back.

- ☐ **Not available** → “Do you know when (**Rank, Mr. or Ms. and Name**) will be available?” If **no time is given** or they don’t know, then “Thank you for your time. I will call back later.” If a **time is given**, then “Thank you for your time. I will call back then.”

If **YES**, then **CONTINUE** with **Hello**.

Hello. The Department of Defense wants to know how satisfied you are with the services you are indicated as receiving through the managed care contractor in your area. This is for care that you may have received at a civilian medical office and not at a military treatment facility. Your participation will help the Department of Defense gain valuable information for evaluating our military health services.

10 U.S.C. Sections 136 and 2358 are the statutes governing this survey. This survey is voluntary and your answers will be kept private and your name confidential. The answers you give during this interview will not affect your benefits in any way. The questions should take about 10 minutes to answer.

Our records indicate that you received outpatient healthcare on Date at Office location or name. Is this true?

If respondent says “not true”, then **THANK AND TERMINATE**

If “True”, then

Do you have a few minutes to answer a question regarding your recent healthcare visit?

If **NO**, then ask “*Is there a time that would work better?*”

If a **time is given** then “*Thank you for your time, I will call back then.*”

If respondent refuses, then **THANK AND TERMINATE**

If **YES**, then proceed with survey.

- ☐ **On line** → Go to Q1
☐ **No such person** → Thank you and terminate the interview
☐ **Refused** → Thank you and terminate the interview

There are many different ways that managed care contractors can help you receive the care you need, when you need it, and in ways that enhance the quality of that care and your experiences surrounding the visit.

I am going to ask you a question concerning a specific visit but before I do please consider some of the factors we think are important in judging the quality of the visit you have received.

Before you answer our question regarding the quality of a recent visit please consider the following areas of MCSC support and how you may feel about them:

1. Referrals – If you were referred from another provider for this visit please consider the time and effort you or your referring provider spent obtaining this care.
2. TRICARE Service Centers (TSC) – The TSC is designed to meet your needs for accurate and responsive assistance in getting the care you need. Consider the TSC operations and services for how they met your needs, if any, when you needed them.
3. Claims – Please consider the accuracy and timelines with which your claim was handled.
4. Telephone services – If you called a contractor-administered “1-800” telephone number for this visit please consider the courtesy, timelines, and accuracy with which your call was answered.
5. Access to services – Please consider the time you waited for your appointment at the provider’s office.

Now I would like you consider the factors mentioned above in response to the following question:

All things considered, how satisfied were you with the healthcare and service you received during this visit?

- 1 = completely dissatisfied
- 2 = very dissatisfied
- 3 = somewhat dissatisfied
- 4 = neither satisfied nor dissatisfied
- 5 = somewhat satisfied
- 6 = very satisfied
- 7 = completely satisfied.

Thank you very much for your cooperation.